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C O N F I D E N T I A L BUENOS AIRES 000376

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WHA FOR A/S SHANNON, DAS DUDDY, AND WHA/BSC  
P FOR HEIDE BRONKE  
NSC FOR JUAN ZARATE AND JOSE CARDENAS

E.O. 12958: DECL: 02/27/2017  
TAGS: [PREL](#) [PGOV](#) [ECON](#) [VZ](#) [AR](#)  
SUBJECT: (C) U.S.- ARGENTINE RELATIONS: DR. JEKYL AND MR.  
KIRCHNER

REF: A. BUENOS AIRES 360

[1](#)B. BUENOS AIRES 311  
[1](#)C. BUENOS AIRES 305  
[1](#)D. BUENOS AIRES 302  
[1](#)E. BUENOS AIRES 301

Classified By: Ambassador E. Anthony Wayne for reasons 1.4  
(b)and(d)

[1](#)1. (C) Summary and Comment: Argentina's President Nestor Kirchner is trying to stake out a position for himself close to Chavez yet still working well with the U.S. on issues important to Argentina. With domestic political advantage and 2007 elections in mind, we expect Kirchner to continue the balancing act. Kirchner will lash out with largely indirect criticism, he will cozy up to Chavez, and yet he will maintain a number of open doors to us. Kirchner recognizes the value of maintaining quiet, positive relations with the U.S. -- particularly on key strategic issues, e.g. non-proliferation and counterterrorism -- but sees no value domestically in aligning himself publicly with the U.S. or its policies. In fact, he gets a domestic boost from lashing out at perceived pressure and in striking an independent pose, a la Charles de Gaulle. Argentina's commercial and economic relationship with Venezuela is also of strategic importance (refs. a, b), the difference being that, domestically, Kirchner does perceive value, in particular electorally, in publicly linking himself to Chavez; he is bringing home the bacon. The meetings between senior GoA ministers and AG Gonzalez and U/S Burns and A/S Shannon were uniformly positive, recognizing an important common agenda in many areas (refs c-d and septels), and the press play from the visits was positive and profuse. In light of this dynamic, Kirchner's statements in Venezuela -- that Argentina will "not contain Venezuela" and his invitation for Chavez to visit in March are indicative of the GoA's desire to maintain what they see as a "balance" in relations with the U.S. and Venezuela. End Summary.

[1](#)2. (C) Attorney General Gonzales' February 6-7 visit, and U/S

Nick Burns and A/S Shannon's February 8-9 visit to Buenos Aires and meetings with senior Kirchner ministers served to underscore improving bilateral relations, the breadth of that relationship, as well as highlight U.S. policy priorities in the region. Kirchner insiders, Cabinet Chief Alberto Fernandez and Planning Minister Julio De Vido, confirmed to Burns and Shannon the importance of the relationship to the GoA, the strong working-level cooperation on counterterrorism, counternarcotics, and international support for non-proliferation. Together with Foreign Minister Taiana, they shared concerns about the situation in Bolivia and Ecuador, and the need for strengthening stability in the region, including through joint efforts in Haiti. They also emphasized the importance they place on attracting U.S. investment (although a negative decision made public during the visit regarding a U.S. investment fund seeking a share of a local energy transmitting company, indicates that the actual message to potential investors, at best, is mixed). Cabinet Chief Fernandez publicly characterized relations as "good" the day after Burns' visit.

13. (C) The Kirchner style from the beginning, however, has been combative in the face of real, imagined and fabricated challenges from sources as varied as the Catholic church, neoliberalism and the "Washington consensus," the World Bank and IMF, parasitic foreign multi-nationals, the press and political opponents (whether from within or from outside the Peronist party) and -- indirectly stated -- the the U.S. This style has stood him in good stead. As the economy boomed, buoyed by favorable external factors, his popularity ratings have soared, and have remained high, due in no small part to his pugnacious character.

14. (SBU) Kirchner demonstrated again over the last two weeks his willingness to attack external institutions for domestic political gain. He lashed out on several occasions at the IFIs and other international organizations, rejecting their latest gentle criticisms of GoA economic policies and blaming them again for the 2001/2002 financial crisis and also for current high poverty levels. His outburst followed mildly critical comments from the World Bank and World Trade Organization officials about the sustainability of the GoA's economic policies. He was also responding to an IMF spokesman's comment to the press that an IMF agreement was normally a prerequisite for Paris Club debt rescheduling. Despite the IMF's explanation that this was a Paris Club, not IMF, requirement, Kirchner blamed the IMF -- his favorite whipping boy -- for blocking a Paris Club deal. He and his Economic Minister, Felisa Miceli, also used the opportunity to pander to the public's extreme hostility towards the IMF by rejecting categorically any possibility of a Fund program with Argentina.

15. (C) This dynamic helps explain the two faces of Kirchner we see in our bilateral relations. Kirchner is essentially pragmatic but excessively focused on domestic issues and public opinion. The low point in recent bilateral relations, occasioned by the GoA performance at the Mar del Plata Summit of the Americas in November 2005, perhaps convinced Kirchner he had gone a bit too far down the populist route. Since then, we have seen a gradual and steady improvement in relations with an increasing willingness by senior-level officials in engaging in dialogue with us and in identifying areas where we can strengthen cooperation.

16. (C) However, we do not expect to see a public embrace of the U.S. or many of our policies. The public image of the U.S. in Argentina is the lowest in the region. Kirchner's regular verbal assaults on policies and institutions linked in the public mind to the U.S., e.g. globalization and the international financial institutions, resonate very well here as long as they don't foretell a serious break (see latest INR U.S Image paper from the Oct-Nov 2006 Latinobarometro poll comparing Argentina with 17 other regional publics). Kirchner calculates -- with at least one eye always on the next election -- that there is little up-side to being linked too closely with the U.S., and little down-side to occasionally "standing firm" and "protecting the people's

interests" before the hegemonic power.

17. (C) The press here eggs this on, couching many issues as the ideological struggle between the U.S. and Venezuela for predominance in the region. As a reflection of this, GoA actions are either portrayed as pro-Chavez or as a rapprochement with the U.S. Contacts inform us that Kirchner also sees himself as maintaining this balance between the two -- a la Charles de Gaulle between the cold war powers U.S. and USSR. The Embassy has seen on several occasions, when the press appears to be too caught up in portraying the improving U.S.- GoA relations, that Kirchner will find an opportunity to publicly stick a pin in that balloon. In the aftermath of the Gonzalez/Burns/Shannon visits, Kirchner, while in Venezuela recently to sign a number of commercial agreements, may have felt compelled to "right the balance" and demonstrate his independence with his gratuitous remark that Argentina would not "contain" Chavez (ref. A). The media here has, in fact, tied Kirchner's comments in Venezuela to Burns/Shannon remarks made here during their recent visit that the U.S. could work well with governments like Argentina and Brazil but that Venezuela was "another matter."

18. (C) Comment: It is clear we have foreign policy differences with the Kirchner administration, particularly over how we view Chavez and his actions in Venezuela and the region. Press reports here say Chavez will be paying a return visit to Kirchner next week, coinciding with President Bush's visit to Uruguay (septel - Senior GoA contacts tell us the visit is still unconfirmed). Ambassador has expressed our strong concerns that Chavez will use the occasion to organize another anti-U.S. rally (as is being reported in the press), and that such an act would negatively impact our bilateral relations. This, unfortunately, would be the type of gesture to be expected of Kirchner; one focused on short-term electoral political gain, with little thought for longer-term consequences. We should not expect significant changes in the GOA's foreign policy or GOA public statements in support of the U.S. Nor is Kirchner likely to change many of his interventionist economic tendencies. All of this is especially true in an election year. But on most of the key bilateral and multilateral issues important to the U.S., in fact, we believe we can continue to build strong cooperation in a quiet, deliberate way.

WAYNE